

OSA-0946-63

1 March 1963

MEMORANDUM FOR THE RECORD

SUBJECT: Meeting with Najeeb Halaby

1. On 21 February 1963 the writer accompanied the Deputy Assistant Director, OSA, to a meeting with Mr. Halaby. The meeting lasted from 0845 to 0930 hours.
2. The purpose of the visit to Mr. Halaby was to inform him of the article that appeared in the Texas newsletter, Cross Country News, which speculated that the Lockheed Corporation was well down the road in the development of a SST. A copy of the article was made available to Mr. Halaby. He indicated that he had not seen it, and he read it with interest. He mentioned that the article was inaccurate and he contacted an aide on the intercom to ask whether or not the Cross Country News was published by Toni Page. I then informed him that Toni Page was, in fact, the owner and provided him with a Dun & Bradstreet report on the publication for his information.

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4. Mr. Halaby was aware of the nature of the newsletter, remarking that it often contains articles about particular pilots and gossip of the trade.

5. Mr. Halaby assured us that he would appropriately deflect any queries addressed to him which might result from the particular news item.

TRAN/FAA review(s) completed.

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3. Mr. Halaby, who is the Administrator of the Federal Aviation Agency, stated that it was fortuitous that we came to visit him on that particular day. He stated that he had in mind getting in touch with the Agency, possibly Mr. McCone, with regard to the desirability of having a key individual of the Rand Corporation cleared for "O". Mr. Halaby discussed at length the situation the country is confronted with regard to the problem of developing the supersonic transport. He declared that he just returned from Europe, and the French and British are really going hot and heavy in their joint venture to have a saleable SST as soon as possible. According to Mr. Halaby, their concept is to have a 2+ Mach. vehicle, aluminum, with British engines and possibly "beefing up" with stainless steel the hot parts of the plane. He went on to point out the White House is vitally concerned since the British-French combine is already contacting American carriers and taking sights on even our cross continental air traffic. He mentioned that it is very significant since, at the present time, the aircraft industry exports about one billion dollars a year, due to our favorable position in the air transport field.

7. He made reference to a recent discussion he had with the Vice-President, Mr. Gilpatrick and Jerry Wiesner wherein they discussed the supersonic transport situation. It was emphasized that the President requires hard cost estimates before authorizing the initiation of a national program to develop a SST. Cost figures are essential since it is not desired to have to underwrite the commercial aviation industry to enable them to acquire a supersonic transport.

8. Hard cost estimates being essential Mr. Halaby stated, it would be of tremendous help if the people preparing these estimates, could have the benefit of Kelly Johnson's experience to date with the "O" bird. It is for this purpose that he feels it would be most desirable if this particular individual in the Rand Corporation who is working on these estimates could be authorized access to Kelly, in order to obtain the desired experience factors. He emphasized that the final estimate would not in any way disclose that the "O" experience is blended therein, although he mentioned that the witting people, President, Vice-President, Jerry Wiesner, etc., would be aware. Mr. Halaby suggested, and Mr. Cunningham agreed,

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that the Administrator would forward the name of this individual informally to Mr. Cunningham for clearance processing. (It is interesting to note that Mr. Halaby remarked that he knew how tight we were on granting "O" clearances, but he felt that this request was definitely justifiable in the national interest.)

9. A brief discussion was had regarding the J-58 and Mr. Halaby stated that the people at Pratt & Whitney impress him as being well disciplined in the security sense. He mentioned that he has had a meeting with a group of individuals discussing engines and the Pratt & Whitney people have maintained their reserve and have on occasions come back to see him on a subsequent day to give him additional information regarding the engine which they could not discuss before uncleared people. He agreed with our observations that the advanced stage of development of the J-58 is indeed an area which undoubtedly stimulates speculation in the aviation industry. He remarked that in view of the high national priority on a SST program Pratt & Whitney is going to be extremely hard pressed in the months to come to produce information concerning a more efficient power plant than is presently publicized. How to account for the obvious tremendous amount of money expended in its development will, indeed, be a considerable problem.

10. Mr. Halaby was most cordial and cooperative during the meeting, and at its conclusion expressed regret that he could not continue discussing this particular area instead of having to go to another meeting to discuss FAA budget matters.

SIGNED

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Chief, Security Branch
OSA

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